

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2656

Introduced by Assembly Member Jones

February 21, 2014

An act to ~~amend~~ add Section ~~13480~~ of 13480.5 to the Business and Professions Code, relating to petroleum.

LEGISLATIVE COUNSEL'S DIGEST

AB 2656, as amended, Jones. Petroleum: labeling.

Existing law makes it unlawful to sell specified petroleum products unless a sign or label is posted, as prescribed, that contains specified information relating to the product and its contents. *Existing law requires the Department of Food and Agriculture, acting through the Division of Measurement Standards, to enforce these provisions. Existing law makes a violation of these provisions a crime.*

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emissions reductions. The act authorizes the state board to include the use of market-based compliance mechanisms.

This bill would require each motor fuel transaction in this state to contain information regarding the estimated cost of compliance with any market-based compliance mechanism that the State Air Resources

Board may adopt. On or before February 15, 2015, the bill would require the Division of Measurement Standards to estimate the cost per gallon of motor fuel resulting from compliance with any market-based compliance mechanism according to prescribed formulas. The bill would require the division to post the estimated cost per gallon calculated pursuant to the prescribed formulas on its Internet Web Site on or before February 15, 2015, and to annually update that information. After February 15, 2015, the bill would require a person who prepares a wholesale motor fuel invoice or product transfer document to include a specified statement that includes the estimated cost per gallon of motor fuel resulting from compliance with any market-based compliance mechanism. After March 15, 2015, the bill would require a person selling motor fuel at retail to affix a sticker to the fuel dispenser containing a specified statement that includes the estimated cost per gallon of motor fuel resulting from compliance with any market-based compliance mechanism. Because a violation of the provisions requiring disclosure of certain information would be a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~This bill would make nonsubstantive changes to this provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 13480.5 is added to the Business and
- 2 Professions Code, to read:
- 3 13480.5. (a) For purposes of this section, the following terms
- 4 have the following meanings:
- 5 (1) "Division" means the Division of Measurement Standards.
- 6 (2) "Motor fuel" means gasoline and diesel fuel.
- 7 (b) On or after February 15, 2015, each motor fuel transaction
- 8 in this state shall contain information, as provided in this section,
- 9 regarding the estimated cost of compliance with any market-based
- 10 compliance mechanism that the State Air Resources Board may

1 *adopt pursuant to Part 5 (commencing with Section 38570) of*
2 *Division 25 of the Health and Safety Code.*

3 *(c) For purposes of subdivision (b), the division shall estimate*
4 *the cost per gallon of motor fuel resulting from compliance as*
5 *follows:*

6 *(1) On or before February 15, 2015, the division shall estimate*
7 *the cost pursuant to the following formula:*

8 *(A) One hundred fifty-six and nine tenths million metric tons of*
9 *carbon dioxide multiplied by the clearing price of one compliance*
10 *instrument sold at the most recent auction conducted by the State*
11 *Air Resources Board.*

12 *(B) The product of the calculation in subparagraph (A) shall*
13 *be divided by the total number of on-road and off-road motor fuel*
14 *gallons sold in 2014 to derive the estimated cost per gallon.*

15 *(2) On or before February 15 each year thereafter, the division*
16 *shall estimate the cost pursuant to the following formula:*

17 *(A) Multiply the total number of on-road and off-road diesel*
18 *fuel gallons sold in the state during the previous calendar year by*
19 *9.96 kilograms and divide the product of that calculation by 1,000*
20 *to derive the number of metric tons of carbon dioxide from diesel*
21 *combustion.*

22 *(B) Multiply the total number of on-road and off-road gasoline*
23 *fuel gallons sold in the state during the previous calendar year by*
24 *8.55 kilograms and divide that product by 1,000 to derive the*
25 *number of metric tons of carbon dioxide from gasoline combustion.*

26 *(C) Add the quotients of subparagraphs (A) and (B) together*
27 *to derive the total metric tons of carbon dioxide from motor fuel*
28 *combustion.*

29 *(D) Multiply the total metric tons of carbon dioxide from motor*
30 *fuel combustion by the clearing price of one compliance instrument*
31 *sold at the most recent auction conducted by the State Air*
32 *Resources Board.*

33 *(E) Divide the product of the equation in subparagraph (D) by*
34 *the total number of gallons of diesel and gasoline fuel from*
35 *subparagraphs (A) and (B) to derive the estimated cost per gallon*
36 *of motor fuel.*

37 *(d) The division shall post the estimated cost per gallon*
38 *calculated pursuant to paragraph (1) of subdivision (c) in a*
39 *prominent location on its Internet Web site on or before February*
40 *15, 2015. On or before February 15 each year thereafter, the*

1 division shall update the estimated cost per gallon on its Internet
2 Web site by using the estimated cost per gallon derived from the
3 formula in paragraph (2) of subdivision (c).

4 (e) (1) After February 15, 2015, a person who prepares a
5 wholesale motor fuel invoice or product transfer document shall
6 include a statement in the invoice or document that states the
7 following: "It has been estimated that the cost of fuel in this invoice
8 is increased by \$_____ per gallon due to Greenhouse Gas Emissions
9 Reduction regulations adopted by the State Air Resources Board."

10 (2) In the blank space provided for the increased cost per gallon,
11 the person shall use the estimated cost per gallon calculated by
12 the division for the relevant year pursuant to subdivision (c).

13 (f) (1) After March 15, 2015, a person selling motor fuel at
14 retail shall affix a sticker to the fuel dispenser that states the
15 following: "It has been estimated that the cost of fuel at this
16 dispenser is increased by \$_____ per gallon due to Greenhouse
17 Gas Emissions Reduction regulations adopted by the State Air
18 Resources Board."

19 (2) In the blank space provided for the increased cost per gallon,
20 the person shall use the estimated cost per gallon calculated by
21 the division for the relevant year pursuant to subdivision (c).

22 (3) The sticker shall comply with the requirements of subdivision
23 (e) of Section 13480.

24 SEC. 2. No reimbursement is required by this act pursuant to
25 Section 6 of Article XIII B of the California Constitution because
26 the only costs that may be incurred by a local agency or school
27 district will be incurred because this act creates a new crime or
28 infraction, eliminates a crime or infraction, or changes the penalty
29 for a crime or infraction, within the meaning of Section 17556 of
30 the Government Code, or changes the definition of a crime within
31 the meaning of Section 6 of Article XIII B of the California
32 Constitution.

33 SECTION 1. ~~Section 13480 of the Business and Professions~~
34 ~~Code is amended to read:~~

35 13480. ~~(a) It is unlawful for a person to sell a petroleum~~
36 ~~product referred to in this chapter at a place where petroleum~~
37 ~~products are kept or stored for sale, unless there is affixed to each~~
38 ~~container, receptacle, pump, dispenser, and inlet end of the fill~~
39 ~~pipe of each underground storage tank, from which or into which~~
40 ~~that product is drawn or poured out for sale or delivery, a sign or~~

1 label plainly visible consisting of the name of the product, the
2 brand, trademark, or trade name of the product, and, in the case
3 of engine fuel and kerosene, the grade or brand name designation.

4 (b) ~~When the product is oil, as defined by Section 13401, each~~
5 ~~sign or label shall also have in letters or numerals, plainly visible,~~
6 ~~the viscosity grade classification as determined in accordance with~~
7 ~~the SAE International latest standard for engine oil viscosity~~
8 ~~classification SAE J300 or manual transmission and axle lubricants~~
9 ~~viscosity classification SAE J306, as applicable, and shall be~~
10 ~~preceded by the letters "SAE."~~

11 (c) ~~When the product is automotive spark-ignition engine fuel,~~
12 ~~except M-85 and M-100 methanol fuel, there shall be~~
13 ~~conspicuously displayed on the dispensing device at least one sign~~
14 ~~or label showing the minimum octane number or antiknock index,~~
15 ~~as defined in Section 13403, of the product sold therefrom.~~

16 (d) ~~When the product is a motor fuel consisting of a mixture or~~
17 ~~premixture of gasoline and oil or gasoline-oxygenate blend and~~
18 ~~motor oil, there shall be conspicuously displayed on the dispensing~~
19 ~~device at least one sign or label stating the ratio of gasoline to~~
20 ~~motor oil or gasoline-oxygenate blend to motor oil.~~

21 (e) ~~All signs or labels required by this section for retail motor~~
22 ~~fuel dispensers and containers of more than one gallon capacity~~
23 ~~shall be in letters and numerals not less than one-half inch (12.70~~
24 ~~mm) in height. On containers of one gallon or less, the signs or~~
25 ~~labels shall be in letters and numerals not less than one-fourth inch~~
26 ~~(6.35 mm) in height and one-sixteenth inch (1.59 mm) in width.~~

27 (f) ~~The provisions of this section pertaining to octane numbers~~
28 ~~or antiknock index and motor oil SAE International viscosity~~
29 ~~number grade shall not apply to products sold for aviation purposes.~~

30 (g) ~~This section shall apply, with respect to thinners or solvents,~~
31 ~~only to the sale, delivery, or offer for sale of the products through~~
32 ~~service stations, garages, and other retail outlets.~~